

NURSERY SALES **(1987)**

3629

Purpose/Use: Process proceeds from sales of nursery products.

Reference/Authority: Accounting Procedures Handbook, Sections 3624, 3630, and 3632;

Source: Nurseries.

Forms/Related Documents: Customer Purchase Order;
Invoice, AO-223A;
Order Form, FM-45;
Refund Register, AO-272;
Report of Collections, AO-197;
Report of Deposit, STD 441, 442, or 443.

Due Date(s): As needed.

Distribution: See procedures.

There are five types of nursery sales:

- Cash sales - over-the-counter sales. The merchandise is received at the time of sale. Order forms (FM-45) are stamped, Completed Order - OTC.
- Charge sales - merchandise is shipped on account to be invoiced at a later date by DAO-Accounts Receivable. This is indicated by a check (x) in the charge sale box on the FM-45). Usually a purchase order number is shown.
- No-charge sales - merchandise is delivered to a CDF location or UC Davis, for research, at no charge. This is indicated by a check (x) in the appropriate no-charge box on the FM-45. No further action is required on these orders.
- Incomplete Orders - new orders for which payment is received and the merchandise to be delivered at a later date. FM-45s will be held in a suspense book.
- Completed Orders - when the merchandise is delivered and the sales transactions have been completed. The completed FM-45s where stamped "Completed Order" in RED by the nursery. They are matched with the FM-45s held in the suspense book, additions and adjustments are made, and the FM-45s are then cleared.

Each week a sales report is forwarded to DAO-Accounts Receivable. The report consists of:

- The Report of Collections (AO-197) prepared in triplicate by the nursery, indicating the amount of money received on orders.
- Reports of Deposit (STD 441, 442 or 443) indicating the amount of money deposited by the nursery in the bank.
- FM-45s prepared for each order regardless of the type of sale.
- Refund Register (AO-272) which are submitted with completed orders when a refund is due a customer as the result of a cancelled order, substitution of merchandise, overpayments, etc.
- Adding machine tapes of amounts of money received and the number of each corresponding FM-45. If additional money has been received for a previous FM-45, a number 2, 3, etc., identifies the additional amount(s).

Upon receipt of the sales report:

- Sort the batch of incomplete FM-45s into numerical order.
- List the missing numbers and the highest number issued in the suspense book.
- Check off any previously missing numbers that have come in with this report.
- Set aside incomplete FM-45s.

Audit Report of Deposit (STD 441, 442, or 443):

- Run a tape of the STD 44Xs and the nursery's sales tapes. These figures must agree to the total shown on the AO-197.
- Indicate that you have verified the accuracy of the AO-197 by making a check mark by the Total at the bottom.

An AO-272 is submitted for each AO-197 from which money is being refunded. Several refunds with same AO-197 number may be processed on the same AO-272.

- Check to see that all AO-272s are signed by authorized Nursery personnel. If not, return to Nursery for signature.
- Verify that the referenced FM-45 was issued the same AO-197 number that appears on the AO-272.

- If a refund is shown on a completed FM-45 and is not indicated on a AO-272, add the refund to the AO-272 with the same AO-197 number.
- If there is no AO-272 for that AO-197 number, contact the nursery for approval to prepare an AO-272.
- Check name, address, and amount on AO-272.
- Run an adding machine tape of all refunds shown on the completed FM-45s. The total should match the totals of the AO-272.
- Verify with DAO-Revenue that the AO-197 applicable to an FM-45 that was previously cleared and now needs a refund is still open.
 - If so, process the refund as described earlier.
 - Make a note on the previously cleared FM-45 that the refund was processed with the original AO-197 number.
 - If that AO-197 number has been closed, change the number on the AO-272 to the current AO-197 number and subtract this refund from the total amount of Uncleared Collections on your worksheet to be processed with the current AO-197 number.
 - Write the related AO-197 number on the cleared FM-45.
- Interfile AO-272s with completed FM-45s.
- Post each AO-197 number and the amount refunded on that AO-197 to the worksheet under Refund Registers.
- If an incomplete FM-45 is cancelled, it is termed a completed FM-45 and a refund is processed, deducting a service charge of \$25.00.
 - Post service charges to the worksheet via AO-197 number.

Audit Worksheet

- Total the Uncleared Collections, Refund Registers, and Service Charges.
- Total the payments received as shown on the completed FM-45s and match to the total above.

Processing Cash Sales

- Audit FM-45s for accuracy.
- Run a tape of all sales only, then run a tape of the tax on FM-45s.
- Transfer totals of tapes to the worksheet amount column entitled Cash Sales.

Processing Incomplete FM-45s:

- Total the payments received as shown on the incomplete FM-45s.
- Set aside FM-45s that have no payment due. (charge and no-charge sales).
- Make a tape of all the additional payments (split orders).
- Add the total of the incomplete FM-45s to the total of the split FM-45s to get the amount to be posted as uncleared collections on the worksheet.
- Total the amount column of the worksheet (the cash sales figures plus the amount of uncleared collections). The total must agree to the total deposit shown on the AO-197.
- If there are split orders, as indicated by the 2 or 3, etc., on the nursery's tapes, find the corresponding FM-45s in the suspense book and post each additional payment to the applicable FM-45, entering date of payment (from top of nursery tape), amount, date the AO-197 was prepared by the nursery, and tag the FM-45 with a paper clip.
- Check off each amount on the nursery tape as you go.
- Write Split-Order directly above the Nursery Use Only box.

Clearing Completed FM-45s

- Sort the completed FM-45s from the nursery in inverse numerical order.
- Pull the copy in the suspense file and compare with the completed copy.
- Audit all figures; make any additions, deletions or corrections on the suspense copy as shown on the completed copy.
- Determine there is an AO-197 number in the payment received box.
- Determine that the total sales amount equals the payment received amount. If not, an adjustment must be made. See instructions later in these procedures.

- If a split FM-45, write the FM-45 number, amount of payment, and AO-197 number on the upper right-hand corner of a blank piece of paper.
- If no AO-197 number has been assigned, tag the page with a paper clip.
 - When the amount of the split payment is exactly the same as the sales tax charged, indicate on the split FM-45 page that the payment is for taxes.
 - If the second payment is different than the amount of the taxes, proceed as follows:
 - Subtract the amount of the taxes from the original payment as posted in the nursery only box. Write the difference and the tax amount as separate figures directly above the nursery only box.
 - Circle both figures and the original payment information in the box.

NOTE: Make these computations only on the copies pulled from the suspense book. Set aside the copies from the nursery that are stamped Completed Order.

- Separate each batch into smaller groups by ASO-197 number and paper clip, placing split FM-45s with the last AO-197 number used.
- Total all sales by AO-197 group, showing:
 - Appropriate AO-197 number on left side of tape.
 - All sales amounts for that AO-197 from the subtotal line on FM-45. Exception: when split FM-45 tax has been subtracted from the original payment, the difference is included on the tape as the sales amount.
 - Total the sales amount for the AO-197.
 - Add all taxes for that AO-197 group, total.
- Prepare tape of the sales figures and one tape of the taxes, from the AO-197 tapes.
- Transfer these figures to the worksheet under the heading From Uncleared Collections.

When an adjustment must be made, proceed as follows, making the adjustment on both the completed nursery copy and the suspense copy:

- If the total sales amount is less than the money received, increase the total sales amount to agree, provided the difference does not exceed \$1.00. A refund must be made for a difference of \$1.01 or more.
- If the total sales amount is more than the money received, reduce the total sales amount to agree, provided the difference does not exceed .99 . Additional money must be collected by the nursery for a difference of \$1.00 or more.

NOTE: Always adjust the sales amount, never the money received!

The cashier will allocate a AO-197 number for nursery sales. This number must be stamped on all copies of the following:

- The current AO-197.
- Report of Deposit, STD 441, 442, or 443.
- Nursery tapes.
- Split FM-45s tagged in the suspense book.
- Cash sales (in payment received box).
- Incomplete FM-45s.
- All cleared FM-45s from the suspense book are stamped in the lower right-hand corner under Handled By.
- Any AO-272 which will be using the current AO-197 number.
- A tag for the index tab in the suspense book.
- The appropriate list of missing numbers in the front of the suspense book.

Distribution

- Separate the copies of the AO-197s. Clip the STD 441, 442, or 443s to the buff copy of the AO-197, and forward to cashier.
- Make a photocopy of the original AO-197 to the original AO-272, and the cleared copies of FM-45s from the suspense book (with tapes of AO-197 breakdowns attached), and forward to DAO-Cashier.

- Forward the duplicate AO-272s with changes and the second copy of the AO-197 to the Nursery.
- Forward the cash sales FM-45s and the completed FM-45s from the nursery to DAO-Fund Accounting along with the no-charge sales (CDF internal sales).
- File incomplete FM-45s in the suspense book, with a copy of the original AO-197. Staple the nursery's tapes to the back of the divider facing the AO-197. Charge sales FM-45s are forwarded to DAO before they are completed. Hold in file until completed FM-45s come in. Mathematically audit the charge sales. Tax is not charged if the sale is: to a government agency (state, federal, etc.) University of California; an out-of-state sale; or resale and a resale number is provided.
- Prepare an Invoice (AO-223A) as necessary after completed charge sales are sent in.
- Affix purchaser's purchase order number to all copies of AO-223A and CALSTARS CODES to office copy.
- File original copy of purchase order behind the master file copy of the AO-223A.
- Send three copies of AO-223A to the purchaser.
- Post the AO-223A number and date to the payment received box on the FM-45.
- Forward FM-45s to DAO-Fund Accounting.

Uncleared Balances

- At the end of each month, run a tape by AO-197 number, of all incomplete FM-45s in the suspense book. The total must agree with the total uncleared balances, according to AO-197 numbers, held by DAO-Revenue.

NOTE: All FM-45s must be completed by June 15th of each fiscal year. The consecutive order of FM-45s must be checked at the end of the fiscal year. If there are any missing numbers still listed in the front of the suspense book, send a list to Nursery and ask them to account for them. If a number is voided, it must still be forwarded to DAO-Accounts Receivable.

FORMS AND/OR FORMS SAMPLES: RETURN TO ISSUANCE HOME PAGE FOR FORMS/FORMS SAMPLES SITE LINK.

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